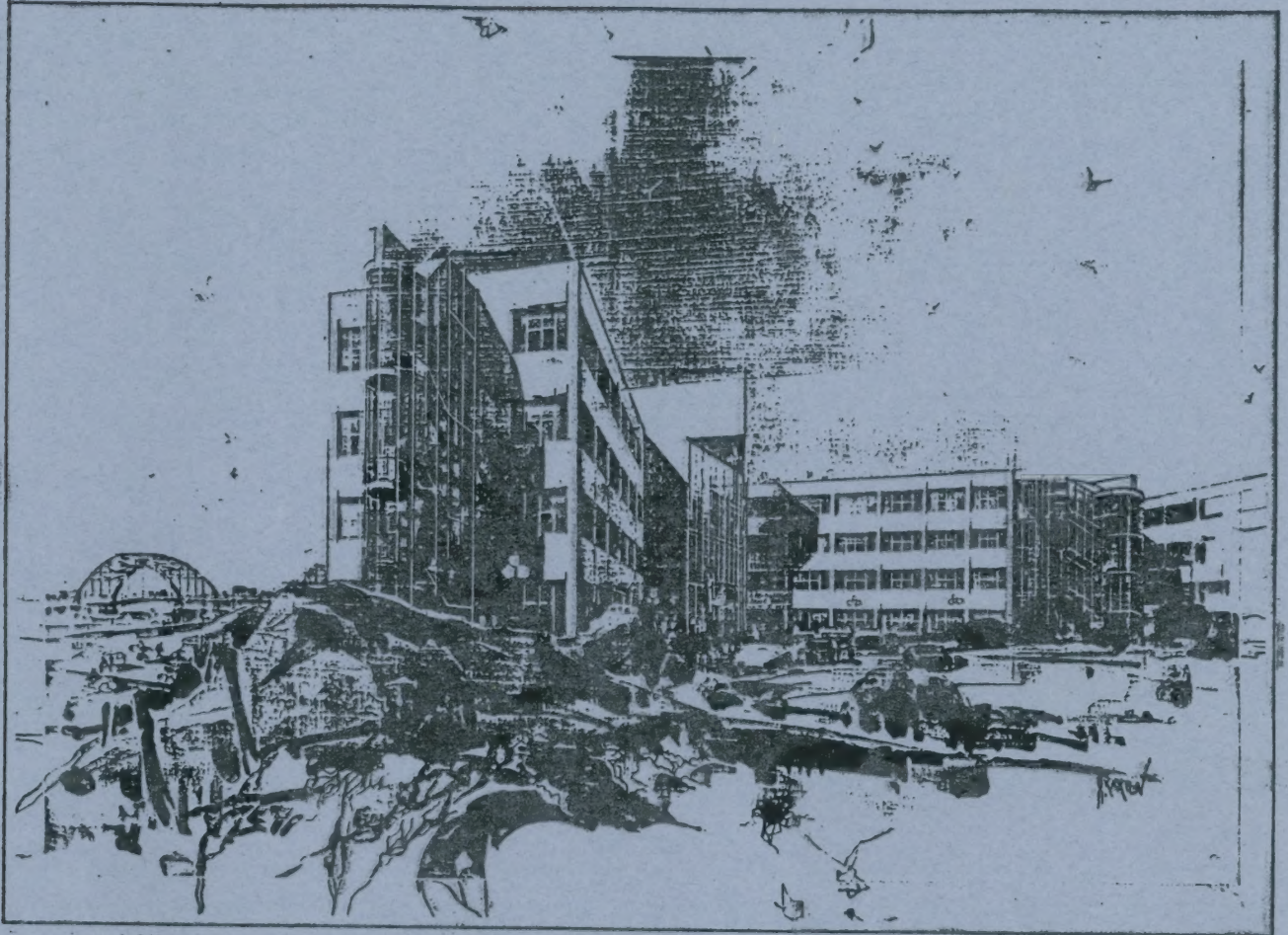


REAL ESTATE PROPOSAL



Expansion Educational Services

GENERAL INDEX

Page no.

INDEX

SECTION 1 : EXECUTIVE SUMMARY

. Real estate proposal summary.....	1
. Capital expenditure & Space requirements.....	2
. C.A.R. LHI/OF/TEL.....	3
. C.A.R. Equipment.....	4
. Comparison of required and available space.....	5
. Capital expenditure requested - Lease parameters.	6
. Space/Staffing & NOR summary by year.....	7
. Space graph/Manpower/Costs.....	8
. Maps & Diagrams.....	9
. Space definition - Allocations - Ratio.....	11

SECTION 2 : PROPOSAL DESCRIPTION

. This request.....	12
. Proposed Space Solution.....	14
. Alternatives.....	15
. Risks - Concerns.....	16
. Responsibilities and measurements.....	16
. People & People space, Other space & Total space.	17
. Site plan.....	19

SECTION 3 : STRATEGIES & BUSINESS PLANS

. Business overview.....	21
. Integration with long term space strategies.....	28
. Country/Business real Estate strategies.....	29
. 10 year space projection.....	33
. Major location space graph/mpw/costs.....	34
. Country metrics.....	35

SECTION 4 : FINANCIAL ANALYSIS

. First alternative.....	36
. Second alternative.....	37
. Comparison of alternatives.....	38
. Conclusions.....	38
. Cashflow Base plan vs Proposal.....	39
. IRR Base plan vs Proposal.....	40

GENERAL INDEX (CONT'D)

SECTION 5 : TECHNICAL BACK-UP

. Capital cost breakdown - Leasehold improvements..	41
. Capital cost breakdown - Furniture.....	42
. Capital cost breakdown - Telecom.....	43
. Annual occupancy costs.....	44
. Rent details.....	45
. Design standard deviations.....	46
. Telecom Proposal.....	47

REAL ESTATE PROPOSAL SUMMARY

CAPITAL EXPENDITURE PROPOSAL - TEMPORARY SPACE EDUCATIONAL
SERVICES
NIEUWEGEIN - HOLLAND

1. Capital expenditures of \$ 720.8 K are requested to fit-up 2.697 m2 of office space at the 'Lekboulevard' building in Nieuwegein, Holland to accomodate expansion of the Holland Educational Services until the new Educational Services building will be completed (3 years). (Proposal for the new building will be submitted in the next few months)
FY'89 Capital Exp.: 497.7 K\$) see page 6
FY'90 Capital Exp.: 223.1 K\$)
2. The existing 'Ratelaar' building will be used completely as classroom building, including restaurant, and reception area, this to keep the capital expenditure as low as possible, using the already existing data/electrical infrastructure for the classrooms.
3. In the new building will be concentrated all offices, and 5 classrooms for Inhouse Training.
4. This request is the more urgent because temporary extra space of 750 m2, occupied in Utrecht HQ since FY88 by Inhouse Training, is no longer available due to the first step of the F.O.M., which means that this 750 m2 has to be found elsewhere.
6. This solution will help the Educational Services Business to expand according to their forecast, until the new building will be available.
7. The proposal is part of the Holland Business/Real Estate Strategies for FY'89-'94.
This request is a revision of the original idea to rent 500 m2 of space, as this was meant to accomodate spaceneeds for 1 year (FY'89)
8. For the comparison of the base plan & the proposal see page 39-40

CAPITAL EXPENDITURE & SPACE REQUESTSORGANIZATION : HOLLAND SUB. HQ, SALES/SWAS/E.S.SUBJECT : EDUCATIONAL SERVICES EXPANSIONLOCATION : NIEUWEGEINEXCHANGE RATE : 1 \$ = 1,90 Dfl.

<u>CAPITAL EXPENDITURE REQUESTED:</u>	<u>KDfl.</u>	<u>K \$</u>
Land & Building :	N.A.	
LHI/OF/TEL :	1.370.0	720.8
<u>ANNUAL RENT</u> :	702.4 (1st Y)	369.7
<u>SPACE REQUESTED</u> :	Gross M2 3.142 Net M2 2.652	Gross SF 34.911 Net SF 29.466

APPROVAL SIGNATURES

SUBS. FINANCE MANAGER

HARM KOLK

Badge no. 211395

.....

COUNTRY MANAGER

BERT DE GROOT

Badge no. 45477

.....

GROUP COUNTRY FINANCE MANAGER

DICK WAKEFORD

Badge no. 64511

.....

AREA FINANCE MANAGER

EARL MASON

Badge no. 137060

.....

COMPARISON OF REQUIRED AND AVAILABLE SPACE

	FY88	FY89	FY90	FY91	FY92	FY93
<u>SPACE REQUIRED</u>						
Total Required *)	4035	4378	5190	6165	6625 *)	9110
<u>SPACE AVAILABLE</u>						
<u>EXISTING</u>						
Ratelaar	3391	3391	3391	3391	3391	--
HQ III	750	--	--	--	--	--
PROPOSED	--	3142	3142	3142	3142	10000
Total available	4141	6533	6533	6533	6533	10000
SURPLUS/(DEFICIT)	+ 106	+ 2155	+ 1343	+ 368	- 92	+ 890
*) 5 months in FY92 until new building will be occupied						
Total Rent (K \$)	408.4	641.1	818.4	843.2	366.3	--
Rent/Net M2 (\$)	138,0	163,4	168,3	173,4	178.6	--
Rent/person (K \$)	3.9	5.6	5.8	4.9	5.0	--

CAPITAL EXPENDITURE REQUESTED - LEASE PARAMETERS

<u>CAPITAL EXPENDITURES REQUESTED</u>	<u>AMOUNT (K \$)</u>	<u>UNIT COST (\$/M2)</u>
Leasehold Improvements	236.8	87.8
Office Furniture	50.0	18.5
Telecommunications	434.0	160.9
	-----	-----
Subtotal	720.8	267.2
Rent Deposit	N.A.	--
Rent Deposit Return	N.A.	--
	-----	-----
Net Rent Deposit	N.A.	--
Total Request	720.8	267.2

LEASE PARAMETERS

Rent (1st calendar year)	369.7
Lease Term	3 YEARS
Space Provided (Gross)	3.142
(Net)	2.652

CAPITAL SPENDING BY YEAR

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>TOTAL</u>
Leasehold Improvements	--	192.1	44.7	--	--
Furniture	--	50.0	--	--	--
Telecommunications	--	255.6	178.4	--	--
	-----	-----	-----	-----	-----
Subtotal Capital	--	497.7	223.1	--	--
Lease Deposit	N.A.	--	--	--	--
Lease Deposit Return	N.A.	--	--	--	--
	-----	-----	-----	-----	-----
Net Lease Deposit	N.A.	--	--	--	--
	-----	-----	-----	-----	-----
Total Request	--	497.7	223.1	--	--

Exchange Rate \$1 = Dfl. 1,90

SPACE / STAFFING & NOR SUMMARY BY YEAR

GROSS M2'S

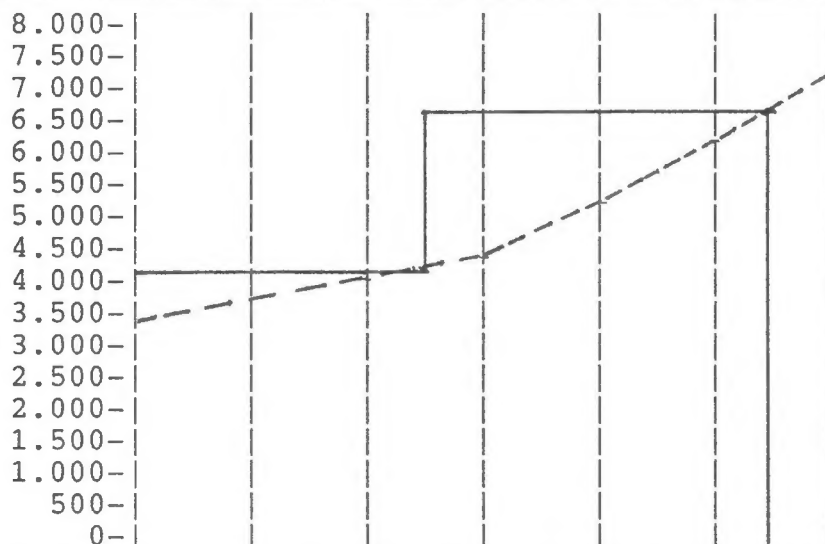
<u>STAFFING</u>	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Educational Services	102	111	136	166	203	248
A & L (facilities)	4	5	6	6	6	7
I.S.	0	0	0	0	0	0
	----	----	----	----	----	----
TOTAL	106	116	140	172	209	255
<u>SPACE REQUIREMENTS (M2)</u>						
Educational Services	3315	3555	4267	5242	6345	8060
A & L (facilities)	720	823	923	923	923	1000
I.S.	0	0	0	0	0	0
	----	----	----	----	----	----
TOTAL	4035	4378	5190	6165	7268	9060
<u>NET OPERATING REVENUE (M\$)</u>						
Country (E.S.)	9,5	11,6	14,7	18,4	23,2	28,9
Percent Growth	12,5%	22,1%	26,7%	25,2%	26,1%	24,6%

Exchange Rate \$1 = Dfl. 1,90

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
 Ed v. Gameren/Reinder v. Aller | Harry Roelfsema |

EXPRESSED IN: Dfl and M² BUILDING GROSS

SPACE GRAPH:

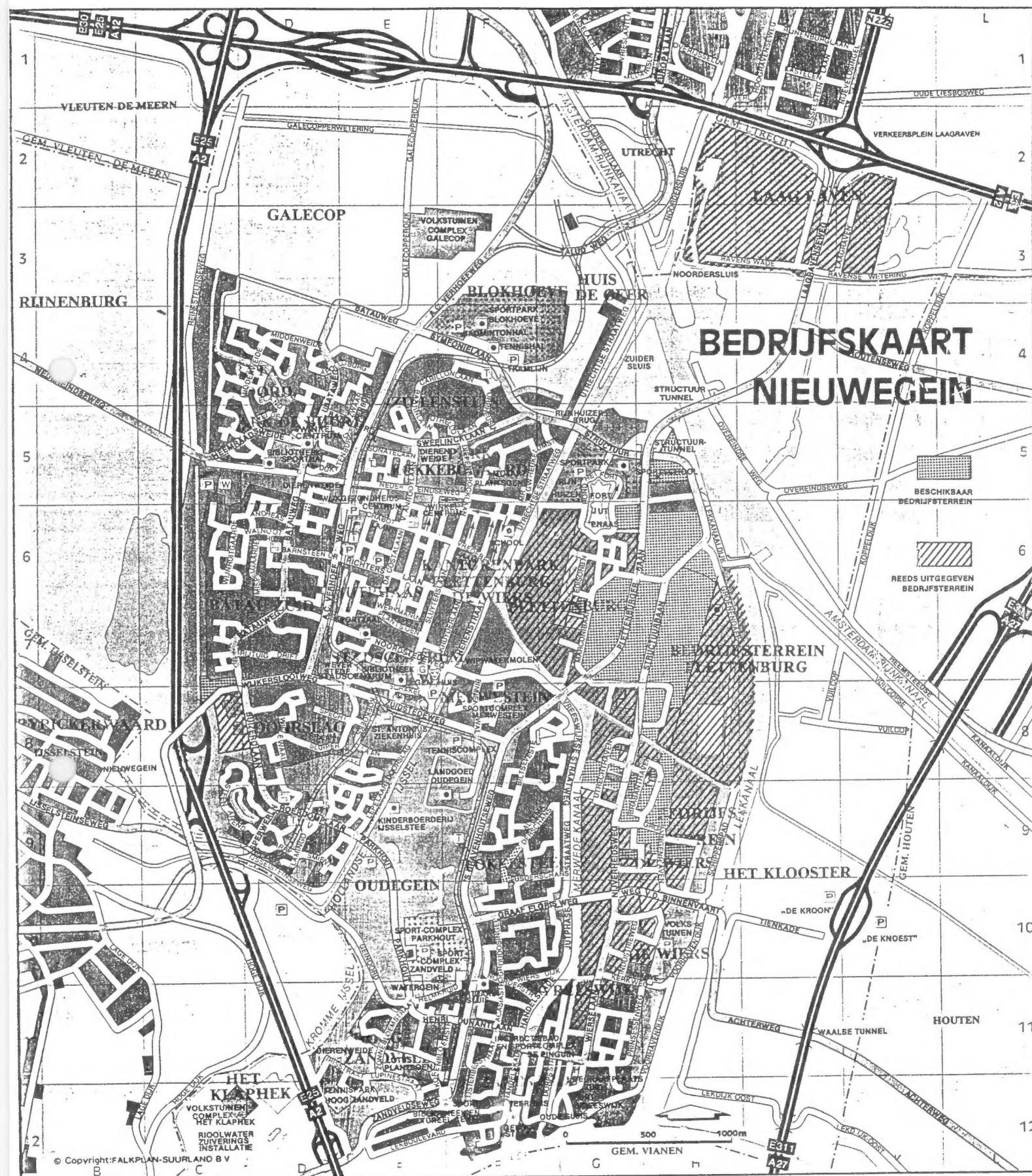


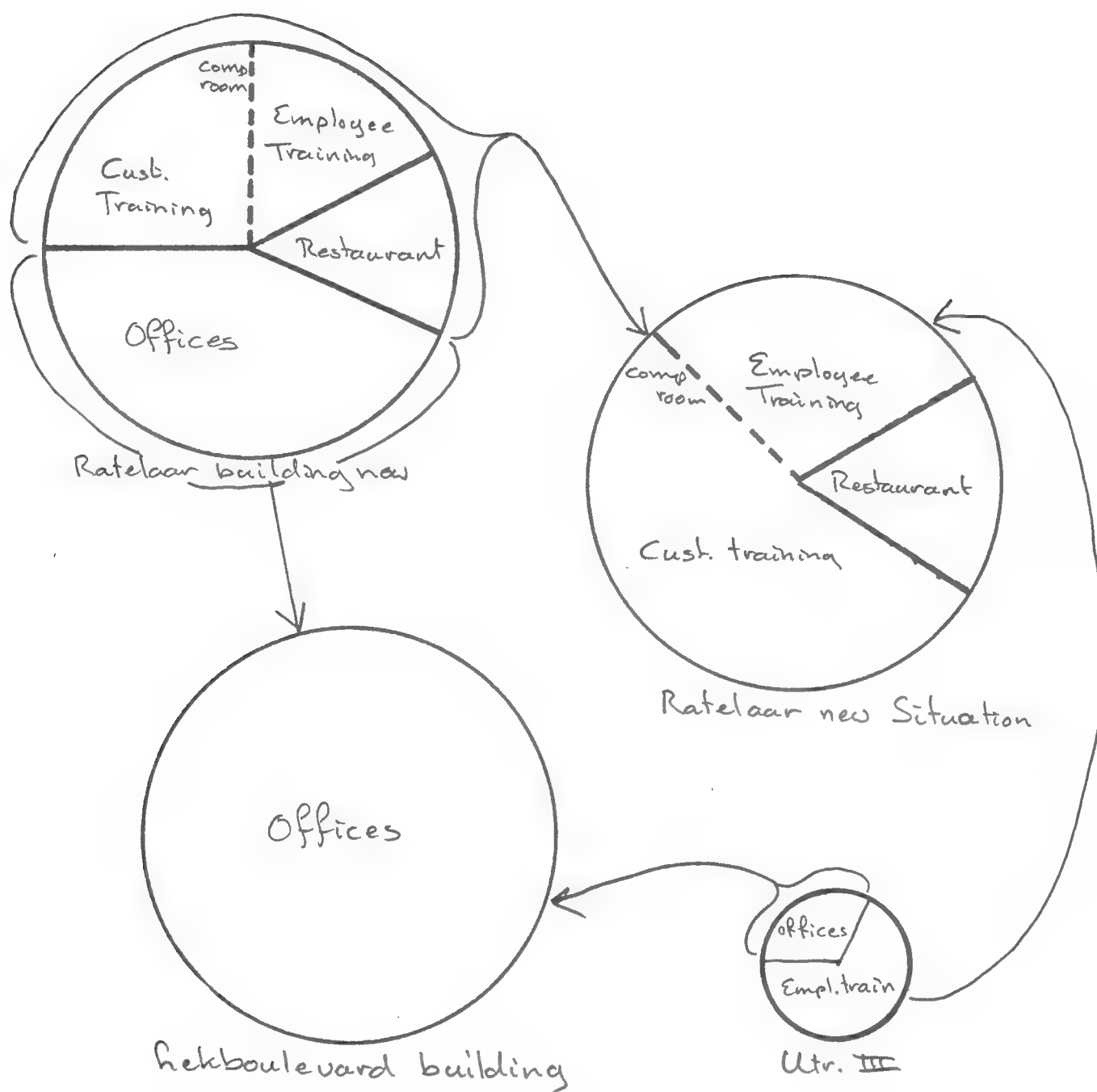
		FY'87	FY'88	FY'89	FY'90	FY'91	FY'92	FY'93
01. PEOPLE (see p7)	*1	--	106	116	142	172	209	--
02. DENSITY (PLANNED)		--	38,0	37,7	36,5	35,8	34,8	--
03. SPACE REQD. (1 X 2) M ² *1		--	4.035	4.378	5.190	6.165	7.268	--
04. SPACE AVAILABLE M ²		--	4.141	6.533	6.533	6.533	6.533	--
05. SURPL./DEFIC.(4 - 3) M ²		--	106	2.155	1.343	368	- 92	--
06. ACTUAL DENSITY(4 : 1)M ²		--	39,1	54,8	46,0	37,9	31,3	--
07. OCCUPANCY COSTS (p44) K\$*2		--	696	1.254	1.537	1.571	651	--
08. COSTS / M ²	\$	--	315,1	257,9	316,2	323,3	133,8	--
09. COSTS / EMPL.(7 : 1)K\$		--	6,6	10,8	10,8	9,4	3,1	--
10. LHI/FURN. CAP. EXP.(p41)		--	--	242.1	44.7	--	--	--
	K\$			100.0	for existing building			
11. TELECOMM. CAP. EXP.(p43)		--	--	255.6	178.4	--	--	--
12. ONE TIME COSTS (K\$)		--	--	15.8	--	--	--	--
13. INFLATION RATE	%	--	3%	3%	3%	3%	3%	3%
14. PLANNING RATE		--	1,90	1,90	1,90	1,90	1,90	1,90

REMARKS: *1) incl. classrooms and restaurant

*2) 7 months in FY'89 for new building; 5 months in FY'92

MAP(S) & DIAGRAMS



MAP(S) & DIAGRAMS (CONT'D)

SPACE DEFINITION - ALLOCATIONS - RATIO

Organization : Educational Services Holland

Subject : Expansion

Location : Nieuwegein

Net space : 2.652

Net usable space : 2.697

Rentable space : 2.697

Gross space : 3.184

Net/Gross ratio : 83%

SECTION 2
PROPOSAL DESCRIPTION

Organization	: Educational Services Holland
Subject	: Expansion
Location	: Nieuwegein
Exchange rate	: 1\$ = Dfl. 1,90

ORGANIZATION : HOLLAND SUB. HQ, SALES/SWAS/ES

FACILITY : EDUCATIONAL SERVICES NIEUWEGEIN

PROPOSALS : AS THE E.S. BUSINESS GROWS, BUT A NEW BUILDING WILL NOT BE AVAILABLE WITHIN 3 YEARS, AND A DISCONTINUITY WILL LEAD TO A LOSS OF CUSTOMERS, THERE IS AN IMMEDIATE NEED FOR EXTRA FLOORSPACE UNTIL FY'92. THE PROPOSAL IS TO RENT 3 FLOORS IN A SEPARATE BUILDING OF 2697 M2 (RENTABLE SPACE) IN THE DIRECT NEIGHBOURHOOD OF THE EXISTING TRAINING CENTRE. THERE IS ONLY ONE BUILDING ON AN ARM'S LENGTH DISTANCE, WHICH, TOGETHER WITH THE EXISTING 'RATELAAR' BUILDING, CAN BE MANAGED AS A UNITY. WITHIN THIS SOLUTION IT IS CHEAPER TO USE THE NEW BUILDING AS OFFICE SPACE, AND USE THE EXISTING BUILDING FOR CLASSROOMS & RESTAURANT ONLY, BECAUSE IT IS MORE EXPENSIVE TO RE-CREATE EXISTING CLASSROOMS IN A NEW BUILDING (INFRASTRUCTURE) THAN TO CREATE A SEPARATE OFFICE-BUILDING AND KEEP THE CLASSROOMS IN THE EXISTING BUILDING.

RENT PERIOD : 3 YEARS, WITH TWO OPTIONS OF 1 YEAR

RENTAL COST : DFL. 248,93/M2, KDFL. 671,370/Y (building)
\$ 131,0/M2, K\$ 353,353/Y

PARKING : DFL. 300,-/PL on grade, KDfl. 6/Y (20 places)
DFL.1.000,-/PL in garage, KDfl. 25/Y (25 places)
Total parking: KDfl 31/Y, K\$ 16.3

<u>CAPITAL COST</u>	:	LHI:	450	KDFL	236.8	K\$
		TEL:	825	,,	434.0	,,
		OF :	95	,,	50.0	,,
<hr/>						
		TOTAL:	1.370	KDFL	702.8	K\$

BUDGET : ORIGINALLY BUDGETTED FOR FY'89; 500M2 (GROSS) EXPANSION, 193 K\$. (capital). EXPANSION FOR FY90/91 (APPROX. 800 & 1000 M2) WAS NOT YET BUDGETTED. THIS NEW PROPOSAL REPLACES THE INITIAL IDEA

REAP : 500 M2 EXPANSION WAS INCLUDED IN REAP
THE 800 & 1000 M2 FOR FY90/91 WERE NOT INCLUDED YET (see budget)

BACKGROUND : SEE BUSINESS PLAN & JUSTIFICATION (PAGE 21-27,38)

THIS REQUEST (CONT'D)

STRATEGIC : RENTING THE PROPOSED SPACE IS ESSENTIAL TO PROVIDE EDUCATIONAL SERVICES WITH ADEQUATE SPACE TO BE ABLE TO FULFILL THEIR FORECASTED N.O.R. FOR THE NEXT 3 YEARS.
IT IS ALSO ESSENTIAL TO MAINTAIN THE COMMERCIAL FACT THAT THE INFRASTRUCTURAL PATTERN IS EFFICIENT FOR BOTH PRIVATE AND PUBLIC TRANSPORT.

CRITICAL DATE : NOVEMBER 1ST 1988, SPACE MUST BE AVAILABLE
AUGUST 15th 1988 THE RIGHT OF FIRST REFUSAL ON THIS BUILDING EXPIRES!!

ALTERNATIVES : 1. DO NOTHING, SEE WHAT IF
(see details on page 16)
2. RENT BUILDING ON A LARGER DISTANCE WITH THE SAME BASIC IDEAS. (SENSELESS, BECAUSE MORE DIFFICULT TO MANAGE, AND FOR CAPITAL & EXPENSES NOT CHEAPER)
3. LOOK FOR EXPANSION , NOT IN OFFICE SPACE, BUT IN CLASSROOM SPACE. (MORE EXPENSIVE)
4. MOVE TOTAL E.S. TO A NEW, RENTABLE BUILDING NEXT TO UTRECHT HQ I, II, III. (ALSO MUCH MORE EXPENSIVE, BOTH IN CAPITAL AND IN RENTAL).

WHAT IF : THIS PROPOSAL IS NOT APPROVED?
A. EITHER E.S. LOSES 7% OF THE FORECASTED N.O.R.,
B. OR CLASSROOM SPACE HAS TO BE RENTED EXTERNALLY AT HIGHER COST.

PROPOSED SPACE SOLUTION

14

SEE THIS REQUEST (PAGE 12)

ALTERNATIVES1. RENT PART OF 'LEKBOULEVARD' BUILDING (PROPOSAL)

SIZE: 3.142 M2
 RENT COSTS: 702.4 KDfl./YEAR, incl. parking
 CAPITAL INVESTMENT: 1.370 KDfl. and partitions
 RENT PERIOD: 3 YEARS
 ADVANTAGES: VERY CLOSE TO EXISTING BUILDING (walking distance)
 OPERATIONS KEPT TOGETHER
 RELATIVELY CHEAP SOLUTION
 LANDLORD WILL FINANCE PARTITIONS & CARPET

DISADVANTAGES: NEEDS CAPITAL INVESTMENT

2. RENT ADDITIONAL SPACE IN A BUILDING FURTHER AWAY

SIZE: APPROX. 3.250 M2
 RENT COSTS: APPROX. 705 KDfl./YEAR, incl.
 CAPITAL INVESTMENT: 1.570 KDfl. parking & partitions
 RENT PERIOD: 3 YEARS
 ADVANTAGES: RELATIVELY CHEAP SOLUTION
 LANDLORD WILL FINANCE PARTITIONS

DISADVANTAGES: FURTHER AWAY
 OPERATIONS APART
 MORE DIFFICULT TO MANAGE
 NEEDS CAPITAL INVESTMENT

3. RENT SPACE IN EXTERNAL CONFERENCE CENTRE (BASE PLAN)

SIZE: APPROX. 900 M2 (1st year)
 RENT COSTS: BETWEEN 700 AND 1.800 KDfl./YEAR
 CAPITAL INVESTMENT: 180 KDfl. (estimate)
 RENT PERIOD: FLEXIBLE (rentable per day)
 ADVANTAGES: LITTLE CAPITAL INVESTMENT
 LOW OVERHEAD COSTS

DISADVANTAGES: GREAT LOSS OF N.O.R. OVER THE PROPOSED PERIOD
 OPERATIONS SPLIT-UP, TIME LOSSES
 ONLY 3 CLASSROOMS AVAILABLE FOR PERMANENT WORKSTATION
 LAY-OUT
 BIG SECURITY PROBLEMS

4. RENT KANAALCENTRUM BUILDING C

SIZE: 9.000 M2 (approx. max.)
 RENT COSTS: 2.605 KDfl./YEAR (estimate)
 CAPITAL INVESTMENT: 1.964 KDfl. (spec. arrangement)
 RENT PERIOD: 5 YEARS MIN.
 ADVANTAGES: INVESTOR TAKES OVER RATELAAR BUILDING RENT & INVEST.
 TOTAL OPERATION TOGETHER
 GOOD LOCATION
 LANDLORD WILL FINANCE PARTITIONS

DISADVANTAGES: RENT PERIOD LONGER THAN NEEDED
 CAPITAL INVESTMENT
 OCC. COSTS VERY HIGH IN COMPARISON WITH PROPOSAL, ON
 M2 BASIS
 NEXT TO HQ I, II & III
 TOO MANY PEOPLE ON ONE SITE

RISKS - CONCERNS

See also the financial analysis.

THE ONE, GREAT CONCERN/RISK IS THAT WE WILL LOSE THE POSSIBILITY TO RENT THE PROPOSED BUILDING, AS THERE IS ANOTHER POSSIBLE TENANT. THIS MEANS THAT WE HAVE TO HAVE THE NECESSARY APPROVALS BEFORE AUGUST 15th 16.00 H, BECAUSE THE RIGHT OF FIRST REFUSAL EXPIRES AT 17.00 H, AND WE HAVE TO GIVE A WRITTEN RESPONSE.

RESPONSIBILITIES AND MEASUREMENTS

YET TO BE DEFINED

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
 Ed v. Gameren/Reinder v. Aller | Harry Roelfsema |

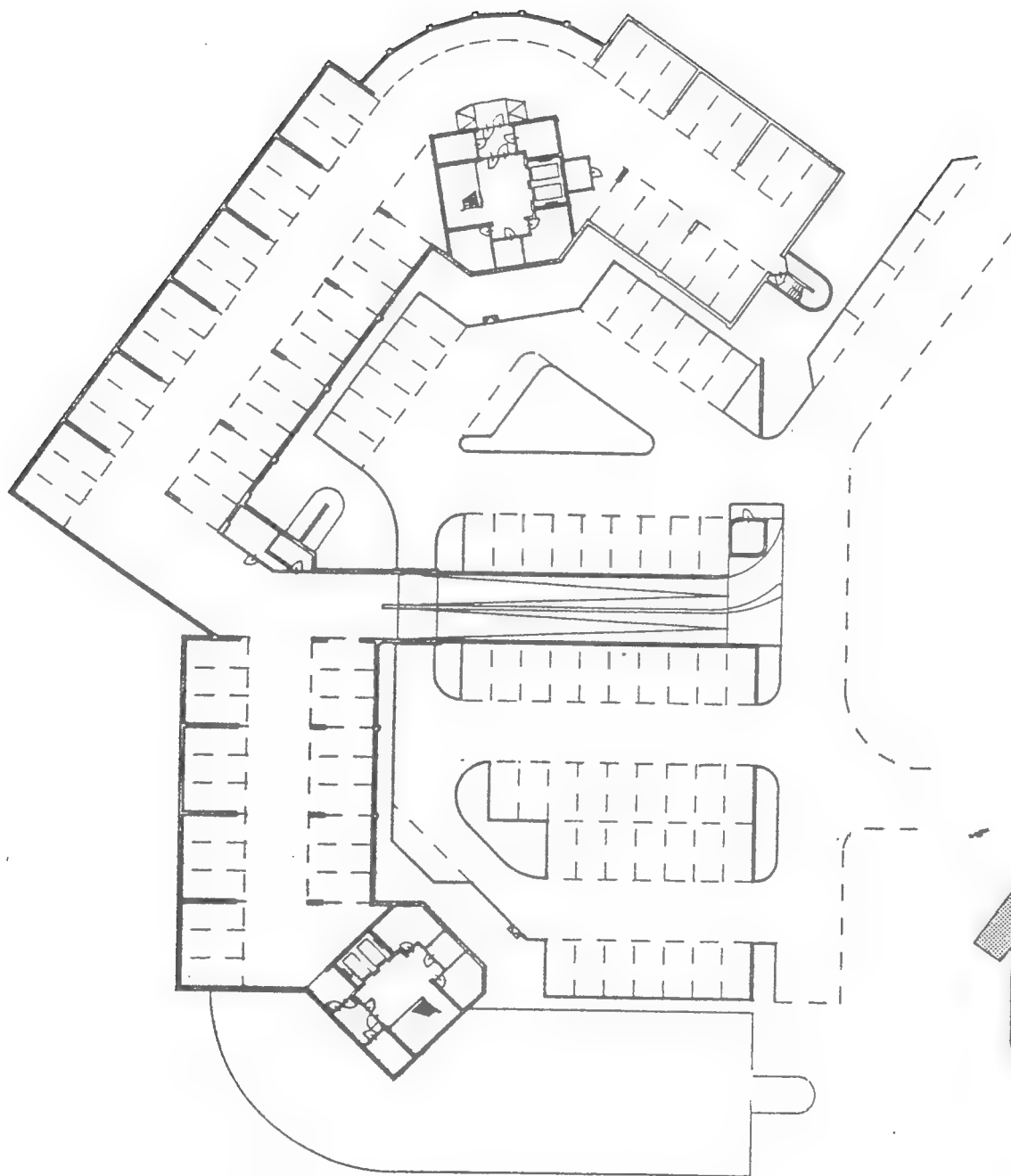
PEOPLE AND PEOPLE SPACE

	FY'88		FY'89		FY'90		FY'91		FY'92		SPACE TO BE PROV.
	P	M ²	P	M ²	P	M ²	P	M ²	P	M ²	M ²
SALES INCL. PSG MANAGERS SALESMEN SECRETARIES		N.A.									
SUBTOTAL											
SWAS MANAGERS ENGINEERS SECRETARIES		N.A.									
SUBTOTAL											
TRAINING MANAGERS PROFESSIONALS SECRETARIES	7 72 23		8 79 24		10 96 30		12 123 31		14 139 32)) 5 MONTHS !)	
SUBTOTAL	102	1695	111	1765	136	2097	166	2772	185	3082	2990
F & A INCL ITS MANAGERS PROFESSIONALS CLERICALS SECRETARIES		N.A.									
SUBTOTAL											
PERSONNEL MANAGERS PROFESSIONALS SECRETARIES		N.A.									
SUBTOTAL											
MARKETING MANAGERS SPECIALISTS SECRETARIES		N.A.									
SUBTOTAL											
TOTAL ASSIGNABLE PEOPLE SPACE	102	1695	111	1765	136	2097	166	2772	185	3082	2990

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
 Ed v. Gameren/Reinder v. Aller | Harry Roelfsema |

OTHER SPACE, PEOPLE SPACE, AND TOTAL SPACE

	FY'88		FY'89		FY'90		FY'91		FY'92		SPACE TO BE PROV.
	P	M ²	P	M ²	P	M ²	P	M ²	P	M ²	M ²
DEMO/A.V. ROOM LITERATURE STORAGE		N.A.									
SUBTOTAL											
I.S.: COMPUTERROOM STORAGE		70		90		120		120		120	120
SUBTOTAL		70		90		120		120		120	120
TRAINING: CLASSROOMS		1550		1700		2050		2350		2500	2500
SUBTOTAL		1550		1700		2050		2350		2500	2500
ITS STORAGE CONF. ROOMS		N.A.									
SUBTOTAL											
OTHER: TEMP. EMPL. PROJECT EMPL. COUNTRY MGT.		N.A.									
SUBTOTAL											
TOTAL ASSIGNABLE OTHER SPACE		1620		1790		2170		2470		2620	2620
TOTAL ASSIGNABLE PEOPLE SPACE	102	1695	111	1765	136	2097	166	2772	185	3082	2990
TOTAL ASSIGNABLE SPACE	102	3315	111	3555	136	4267	166	5242	185	5702	5610
CAFETERIA/KITCHEN	1	235	1	288	1	338	1	338	1	338	338
LOBBY/RECEPTION	1	56	2	106	3	156	3	156	3	156	156
MAIL/COPIES/SUPPLIES	1	50	1	50	1	50	1	50	1	50	50
MAINTENANCE	1	379	1	379	1	379	1	379	1	379	379
TELEX/TELEPHONE CONFERENCE CENTER SHIPPING/RECEIVING											
TOTAL BUILDING SERV.	4	720	5	823	6	923	6	923	6	923	923
GRAND TOTAL NET. USABLE SPACE	106	4035	116	4378	142	5190	172	6165	191	6625	6533

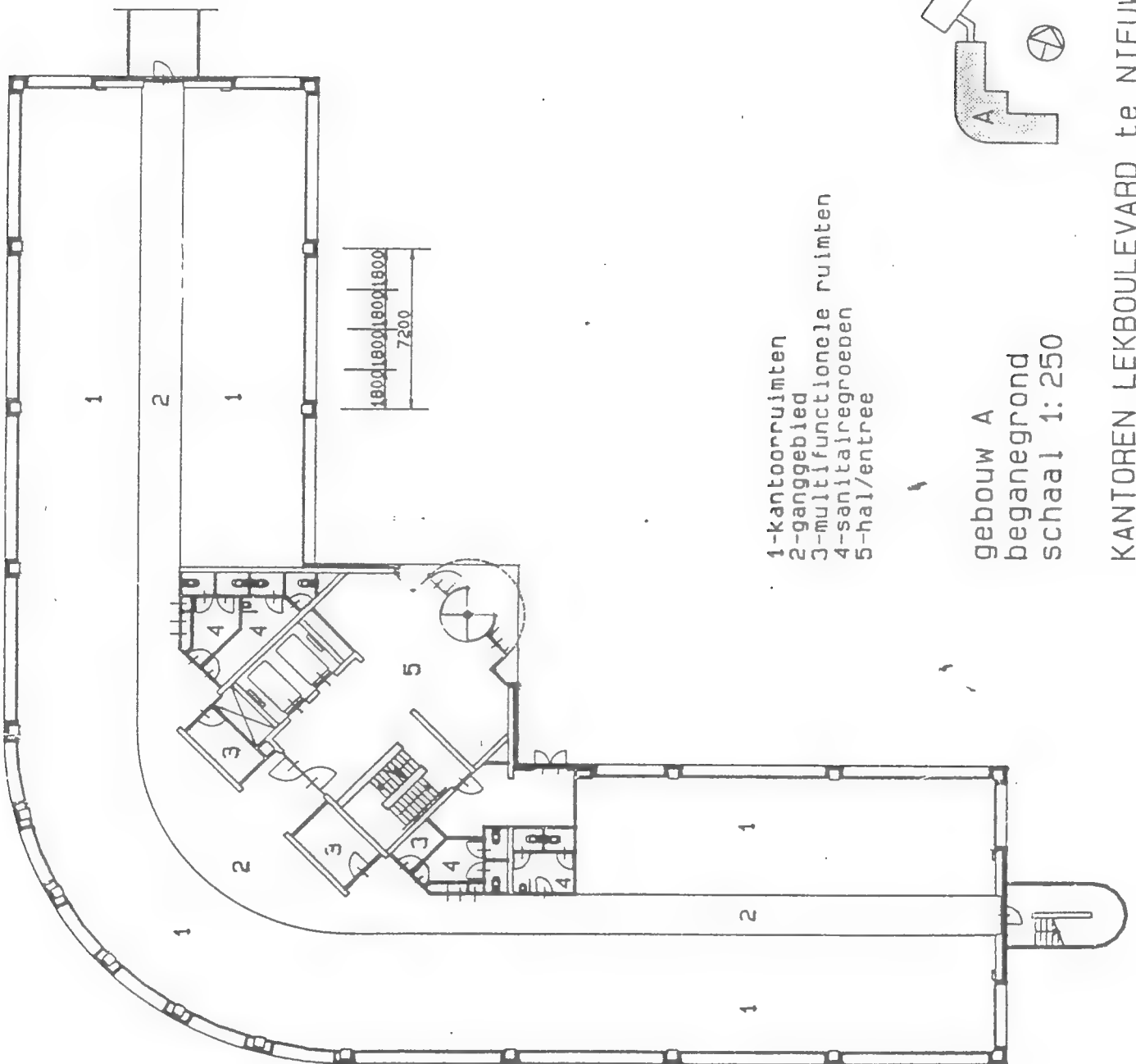


aantal parkeerplaatsen:	parkeerkelder + terrein
gebouw A:	21 + 33
gebouw B:	45 + 21
totaal:	66 + 54



gebouw A + B
parkeerkelder + terrein ,
schaal 1:500

KANTOREN LEKBOULEVARD te NIEUWEGEIN



SECTION 3
STRATEGIES AND BUSINESS PLANS

Organization : Educational Services Holland

Subject : Expansion

Location : Nieuwegein

Exchange rate : 1\$ = Dfl. 1,90

BUSINESS OVERVIEW**digital**1. Management summary Customer Training

		<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Total trainingmarket							
in HL	(Mfl)*	275	340	420	520	645	800
Growth trainingmarket	(%)	28.5	23.6	23.5	23.8	24	24
ES NOR	(Mfl)	18	22	28	35	44	55
Growth ES	(%)		21	27	25	26	25
Marketshare ES	(%)	6.5	6.5	6.7	6.7	6.8	6.9

(* : according to IDC figures from January, 1988).

Notes:

1. The growth of the total EDP trainingmarket in Holland remains "stable" the coming years, despite the decreasing growth of the hardware market.
2. The growth of the trainingmarket is determined to a great extend by the PC trainingmarket (+ 50-60% per year).
3. Despite the fact that ES is not in the PC trainingmarket, we will grow faster than the market in order to gain marketshare.
4. Obviously, the growth of ES is also depending upon the growth of the Systems Business, which is aggressively forecasted (10% marketshare in FY93).
5. Key success factor for ES' growth is to capture a share of the Office & Corporate Electronic Publishing trainingmarket.

2. Breakdown per course category (as a % of ES NOR)

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Operating Systems	52	51	48	48	47	45
Systems Development Tools	4	3	3	3	3	3
Data Information Management	12	13	14	15	16	17
Networks/Datacommunication	10	12	12	11	10	9
Office & Corp. Electr. Publ.	11	12	14	16	18	20
Hardware	2	2	2	1	1	1
Management Seminars & SBE	5	4	4	4	3	3
PL02	4	3	3	2	2	2
Total	100	100	100	100	100	100

6. Delivery/productivity parameters Employee Training

1. LOCATION

There will be no major change in the relative amount of skills training in conference centers: Skills & Management Training = 40%, Selling Training = 60%.

2. CLASSROOM UTILIZATION

The utilization of classrooms will go up to around 70%. Obviously, the effective usage of these facilities will be higher, by still offering these as conference rooms to the Subsidiary.

3. PEOPLE COSTS

Salary increases will be "compensated" by lower people turnover and a higher direct/indirect employee ratio.

7. Contingency planning

If ES is unable to get a share of the Office & Corporate Electronic Publishing trainingmarket it obviously means a lower NOR growth, but also less decentralised activities.

For sake of contingency planning, we took a NOR growth of 19% and an amount of 15% decentralized activities by FY93 (versus 25% in the original plan). Even then we need 35 classrooms for Customer Training in FY93 (versus 39 in the original plan).



Notes:

1. Despite the fact that Third Party Education is taking over basic VMS courses, ES' revenue will heavily depend upon Operating Systems courses. Major products: VMS, Unix, DECwindows, new Operating Systems around FY91 (?).
2. Focus area is courses regarding software development tools and data information management (3GL and 4GL products).
3. Growth area is courses regarding Office & Corporate Electronic Publishing. It is expected that this category will be 30-40% of the total EDP trainingmarket in FY93.

3. Delivery/productivity parameters Customer Training

1. LOCATION
The delivery of especially end user training (Office, Corporate Electronic Publishing, basic courses) will be done more and more close to the customer. This can be on site at the customer premises, in Digital's regional offices or other facilities. The ultimate goal is to do 25% of the activities decentralized by FY93.
2. CLASSROOM UTILIZATION
The utilization of available classrooms will go up to around 70% (actual around 55%).
3. CLASS SIZE
The average class size remains around 13. Although the class size of end user training will be higher, for technology training it will be lower in order to satisfy the needs of our customers (timeliness).
4. MATERIAL COST PER STUDENT
By decreasing the overhead costs and by delivering material tuned to the targetgroup the costs per student will be decreased by 25%.
5. NOR PER STUDENTWEEK
The relatively high share of ES' NOR in the Office & Corporate Electronic Publishing trainingmarket will decrease the overall NOR per studentweek. This is due to the lower prices in this market. Hence, we will go for even more pointpricing.
6. HIGH VOLUME/LOW COST OPERATION
In order to penetrate the Office & Corporate Electronic Publishing trainingmarket effectively, we may have to set up a high volume operation, which is tuned to a very cost effective course delivery.
7. PEOPLE COSTS
Salary increases (bottomline = 6% per annum) will be "compensated" by lower people turnover and a higher direct/indirect employee ratio.

digital4. Management summary Employee Training

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Total local studentweeks	3100	3410	3750	4130	4540	5000
Growth studentweeks (%)		10	10	10	10	10
Studentweeks delivered by CT	930	1020	1125	1240	1360	1500
Studentweeks delivered by ET	2170	2390	2625	2890	3180	3500

Notes:

1. According to the "10% marketshare scenario" the Subsidiary manpower will grow 14% on average in the coming 5 years.
2. In order to budget Employee Training conservatively, we will take a growth of 11.5% for the Subsidiary manpower into account.
3. The effect of a decreased need for DEColleges means 15 trainingdays per employee per year (FY88 = 17). Therefore the growth of local studentweeks is 10%.
4. Studentweeks delivered by Customer Training are mainly software courses, either delivered by Customer Training or by EuroSWAS training in Nieuwegein.

5. Breakdown per faculty (in studentweeks)

	<u>FY88</u>	<u>FY89</u>	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>
Total Employee Training	2170	2390	2625	2890	3180	3500
Skills & Management Training	850	940	1030	1140	1250	1375
Selling Training	690	760	835	920	1010	1110
Technical Training	630	690	760	830	920	1015

Notes:

1. The share of Field Training Center delivery will increase by also offering Skills & Management Training and Selling Training selfstudy courses in the (remote) Field Training Center.
2. Lecture/Lab hardware training will increase relatively faster due to less training abroad. The ultimate goal is to run 80% of the technical courses locally (current local/foreign ratio = 60/40).

original6. Delivery/productivity parameters Employee Training

1. LOCATION

There will be no major change in the relative amount of skills training in conference centers: Skills & Management Training = 40%, Selling Training = 60%.

2. CLASSROOM UTILIZATION

The utilization of classrooms will go up to around 70%. Obviously, the effective usage of these facilities will be higher, by still offering these as conference rooms to the Subsidiary.

3. PEOPLE COSTS

Salary increases will be "compensated" by lower people turnover and a higher direct/indirect employee ratio.

7. Contingency planning

If ES is unable to get a share of the Office & Corporate Electronic Publishing trainingmarket it obviously means a lower NOR growth, but also less decentralised activities.

For sake of contingency planning, we took a NOR growth of 19% and an amount of 15% decentralized activities by FY93 (versus 25% in the original plan). Even then we need 35 classrooms for Customer Training in FY93 (versus 39 in the original plan).

SPACE PLANNING CUSTOMER TRAINING

DATE: 18 JULY 1988

	fy88	fy89	fy90	fy91	fy92	fy93
NOR IN KDFL	18212	22000	28000	35000	44000	55000
increase in % ---->	16%	21%	27%	25%	26%	25%
calculation lec lab student weeks						
*customer training student weeks	6339	7721	9904	12479	15812	19924
increase in % ---->	20%	22%	28%	26%	27%	26%
*ilc weeks	-989	-1100	-1166	-1189	-1213	-1237
increase in % ---->	0%	11%	6%	2%	2%	2%
*on site / regio weeks	-478	-791	-1387	-2496	-3479	-4981
increase in % ---->		65%	75%	80%	39%	43%
as a % of customer training weeks	8%	10%	14%	20%	22%	25%
*foreign weeks	-121	-100	-100	-100	-100	-100
increase in % ---->		-17%	0%	0%	0%	0%
*i/h relief + nijmegen	135	142	156	172	189	208
increase in % ---->		5%	10%	10%	10%	10%
*i/h on customer student weeks	280	313	344	379	417	458
increase in % ---->		12%	10%	10%	10%	10%
*euro software	830	945	946	946	946	946
increase in % ---->		14%	0%	0%	0%	0%
*specials	315	137	151	166	182	201
increase in % ---->		-57%	10%	10%	10%	10%
lec lab weeks to give in facility Nieuwegein	6311	7267	8848	10356	12754	15418
		15%	22%	17%	23%	21%
		====	====	====	====	====
class size	13.0	13.0	13.0	13.0	13.0	13.0
course weeks in facility Nieuwegein	485	559	681	797	981	1186
A) class room utilization in busiest quarter	70%	70%	70%	70%	70%	70%
B) course weeks in busiest quarter (30%)	146	168	204	239	294	356
necessary capacity A/B in course weeks per week	208	240	292	341	420	508
increase class rooms customer training in %	23%	15%	22%	17%	23%	21%
necessary class rooms lec lab for customer training	16.0	18.4	22.4	26.3	32.3	39.1
necessary class rooms for ilc	2.5	2.7	2.9	2.9	3.0	3.1
		----	----	----	----	----
TOTAL NEEDED CLASS ROOMS CUSTOMER TRAINING	18.5	21	25	29	35	42
		15%	20%	15%	21%	19%

SPACE PLANNING EMPLOYEE TRAINING

DATE: 18 JULY 1988

	fy88	fy89	fy90	fy91	fy92	fy93
11 hardware training	178	225 26%	252 12%	282 12%	316 12%	354 12%
11 skills & mgt	853	938 10%	1032 10%	1135 10%	1249 10%	1374 10%
*skills & mgt training intern (not in hotels) 60%	512	563	619	681	749	824
11 selling training	690	759 10%	835 10%	918 10%	1010 10%	1111 10%
*selling training intern (not in hotels) 40%	276	304	334	367	404	445
lec lab weeks for employee training in facility Utrecht/Nieuwegein	966	1092	1205	1331	1470	1623
class size	8.0	8.0	8.0	8.0	8.0	8.0
course weeks	121	136	151	166	184	203
A) class room utilization in busiest quarter	70%	70%	70%	70%	70%	70%
B) course weeks in busiest quarter 30%	36	41	45	50	55	61
necessary capacity A/B in course weeks	52	58	65	71	79	87
necessary break out rooms (1 on 1.5)	2.7	3.0	3.3	3.7	4.0	4.5
necessary class rooms lec lab for employee training	4.0	4.5	5.0	5.5	6.1	6.7
necessary class rooms for ilc	2.0	2.3	2.6	3.0	3.5	4.0
TOTAL NEEDED CLASS ROOMS EMPLOYEE TRAINING	6	7	8	9	10	11

MANPOWER

	FY88	FY89	FY90	FY91	FY92	FY93
MANPOWER CUSTOMER TRAINING	61	83	106	132	166	208
MANPOWER EMPLOYEE TRAINING	24	28	31	34	37	41
	85	111	136	166	203	248

necessary class rooms customer training	16	18	22	26	32	39
necessary class rooms employee training	4	4	5	5	6	7
necessary ilc rooms customer training	2	3	3	3	3	3
necessary ilc rooms employee training	2	2	3	3	3	4
necessary computer rooms customer training	2	2	2	3	3	3
necessary computer rooms employee training	2	2	3	3	3	4
necessary break out rooms employee training	3	3	3	4	4	4

INTEGRATION WITH LONG TERM SPACE STRATEGIES

This proposal is in line with the long term space strategies, it is, Real Estate-wise, a short term solution to assure the long-term business development.

COUNTRY / BUSINESS REAL ESTATE STRATEGIES

FY88-93

HOLLAND

BUSINESS/REAL ESTATE STRATEGIES

THE COUNTRY

Holland - Size : 41.863 km²
 Population : 14.6 Mln.
 Capital : Amsterdam
 Business centres: Amsterdam, Rotterdam-The Hague, Utrecht,
 Eindhoven. (see maps)
 Dutch subsidiary (excl. Nijmegen & Utrecht Taatsendijk) The
 subsidiary's Headquarters are located in Utrecht.

Separately located are:

Country Logistics	(Gouda)
Educational Services	(Nieuwegein)
F.S. branch offices	(Hoogeveen, Amsterdam, Delft, Oss, and Terneuzen)

THE ECONOMY

GNP 1986 \$ 214.5 BN (at FY'88 planning rate). Growth
 expectation for 1987: 1.5%.

THE MARKET

DIGITAL's relative competitive position

	1982	1983	1984	1985	1986	
Digital	100	100	100	100	100	
IBM	628	455	380	429	341	
UNISYS	184	122	89	97	82	(Burroughs+Sperry)
HP	98	67	53	56	46	
WANG *	--	28	28	32	38	* no '82 data
BULL	82	53	42	40	51	available

GROWTH EXPECTATIONS

M \$ (1.90)	FY'87	FY'88	FY'89	FY'90	FY'91	FY'92	FY'93
NOR Systems	231.6	235.8	278.9	368.9	506.3	786.3	896.8
NOR Services	77.9	87.3	101.6	104.7	119.5	142.1	162.1
NOR E.S.	8.4	9.5	11.6	14.7	18.9	25.3	28.4
NOR Total Sub.	317.9	332.7	392.1	488.3	644.7	953.7	1.087.3
Growth rate	15,3%	4,6%	17,9%	24,5%	32,0%	47,9%	14,0%
Total Sub. Manp.*)	1.188	1.383	1.595	1.679	2.001	2.575	2.791
Manp. Growth rate	23,8%	16,4%	15,3%	5,3%	19,2%	28,7%	8,4%

The headcount growth rate will be accross the subsidiary, with an emphasis
 on the 'REGION' functions.

REMARKS: * incl. DEI & 5% external resources.

POSITIONING STATEMENT

Digital Equipment Corporation(DEC) is one of the world's largest manufacturers of networked computer systems.
 'Through innovation, we lead the market with our compatible product family, open networks and integrated information systems'.
 'You will find us open, friendly, and dedicated to provide you with information processing systems and solutions that will help you to run business more effectively'.
 'We are your long-term partner'.

STRATEGY

- 1.Reinforce Digital's number two position - in Holland in terms of revenue. This includes contacts at the right level within defined audiences.
- 2.We need to maintain LEADERSHIP in those Universities and Research Institutes which are opinion makers for the whole computer industry.
- 3.We need to be the LEADING partner in Manufacturing and Telecommunication.
- 4.Be the ALTERNATIVE partner in the Business Services Industry
- 5.Sell through the most effective channel mix in terms of
- 6.Optimize the relations with Coplementary Solution Organisations, particularly in the OEM field.
- 7.Promote the development of application SW, based on our application architectures, by CSO's.
- 8.Stimulate expansion of market penetration by acquiring new accounts in focus markets.
- 10.Support our market objectives by continuing to actively market and develop our customer services to be the recognized leader in the industry.

DEC HOLLAND ORGANISATIONAL STRUCTURE

Today the subsidiary operates as a One Region/four-District entity. All business and support functions, except for Educational Services, Logistics and FS branches are housed under 'one' roof in the HQ buildings I, II and III.
 Following the FOM, the subsidiary will be divided into 2 regions/4districts initially, and eventually into 4 regions; North-west, North-east, South-west and South-east.
 The timing for implementation of these regions will largely depend on the business developments.

LOCATION STRATEGY

Holland is, geographically, a very small country, with approx. 80% of the existing, and future business (1992) for DEC within a radius of 90 km from Utrecht. The regional offices will be projected in the geographical regions. In effect this means that the following locations are beeing considered:

- | | |
|-----------------------------|---------------------|
| 1. Rotterdam/The Hague area | (south-west region) |
| 2. Amsterdam area | (north-west region) |
| 3. Eindhoven area | (south-east region) |
| 4. Zwolle area | (north-east region) |

The existing F.S. branch offices will be integrated in the ne Regional offices, as they already cover the regions as given above.

To cover the growth of the Educational Services business, a new site for E.S. is being researched. The location will be in the Utrecht area, to assure optimum accessibility for customers from all over the country.

In the future the locations may be defined as follows:

- 1 Site for HQ (incl. CSC)
- 4 Sites for Regional offices (incl. ACT/Competence Centre)
- 1 Site for a Training Centre
- 1 Site for Logistics

The desirable maximum number of people in one building is considered to be 300-400, and maximum on one site (in more buildings) 800-1.000.

We have to take into consideration that there is also a minimum amount of people to occupy a building initially, but economically spoken the smallest building to be considered for ownership should at least be able to house approx. 200 people (i.e. 5.000m² gross).

On a temporary basis, the existing Utrecht HQ location will expand over the 1.000 people capacity, until the first Region office is created. The phase III building will be used as a 'Region birthplace' until the end of the rent period.

Expansion possibilities on sites will depend largely on the existing capacity. "Permanent Sites" will be owned, or leased, depending on financing alternatives, and Corporate balance sheet considerations.

We advise, to take market possibilities into consideration as well, especially for office buildings, because office buildings that are not flexible enough for the market, are certainly not flexible enough for DEC either.

The key requirement for DEC will be the ability to control expansion as needed. Operations other than on "permanent sites" will be accommodated in rented facilities, with enough expansion possibilities built into the rent contract.

We are also in the process of investigating the possibilities for a facility, where seminars, customer/executive events, and high level management training can take place - away from the day-to-day operation. This site (Conference/Training Centre) should have at least one existing building and the possibility to provide for a second building on the same site. Overnight facilities should be available in the direct neighbourhood.

WHERE/WHEN

Present existing locations/activities are:

		Gross sqm.	Max.Cap.	Occ.Q4'88
-HL HQ/Branch office I+II+III	Utrecht	21.184	p	927 p
-HL Logistics	Gouda	6.873		142 p
-HL Educ.Services	Nieuwegein	3.391		87 p
-FS operation	Amsterdam	467		61 p
-FS operation	Oss	470		64 p
-FS operation	Delft	573		56 p
-FS operation	Hoogeveen	531		33 p
-Logistic operation	Terneuzen	37		--
-Sales 'Spearhead'	Wageningen	25		--
TOTALS *)		33.551		1.370 P

Proposed new locations/activities are:

		Gross Size	When (FY)
1. -Educ. Services relocation	(Utrecht area)	10.000	Q4'91
2. -REGIONAL OFFICE 1	(Rotterdam/The Hague area)	10.000	Q4'91
3. -REGIONAL OFFICE 2	(Amsterdam area)	10.000	Q1'93
4. -REGIONAL OFFICE 3	(Eindhoven area)	10.000	Q3'93
5. -REGIONAL OFFICE 4	(Zwolle area)	10.000	Q1'94

Excluded in this overview is the separate conference/training centre for high level training, which will be researched further this fiscal year.

Furthermore, there may be an ACT (Application Center for Technology) planned in Holland. This however, will not influence the overall RECO planning.

The Logistics expansion is based upon an average sqm. usage per million NOR, based upon the actual usage of warehouse space. The extra space, needed above the available space in Gouda, will be combined with the Nijmegen/Utrecht Taatsendijk logistics if necessary.

The above Business/R.E. strategy spans over the coming 5 years. It is derived from a 10 year global forecast. During this period we will review this strategy in combination with the marketing dept. on a regular basis, and refine it in order to meet the business market at this given timeframe.

In this strategy we take into consideration, that permanent presence on a key location may considerably strengthen our image at the market.

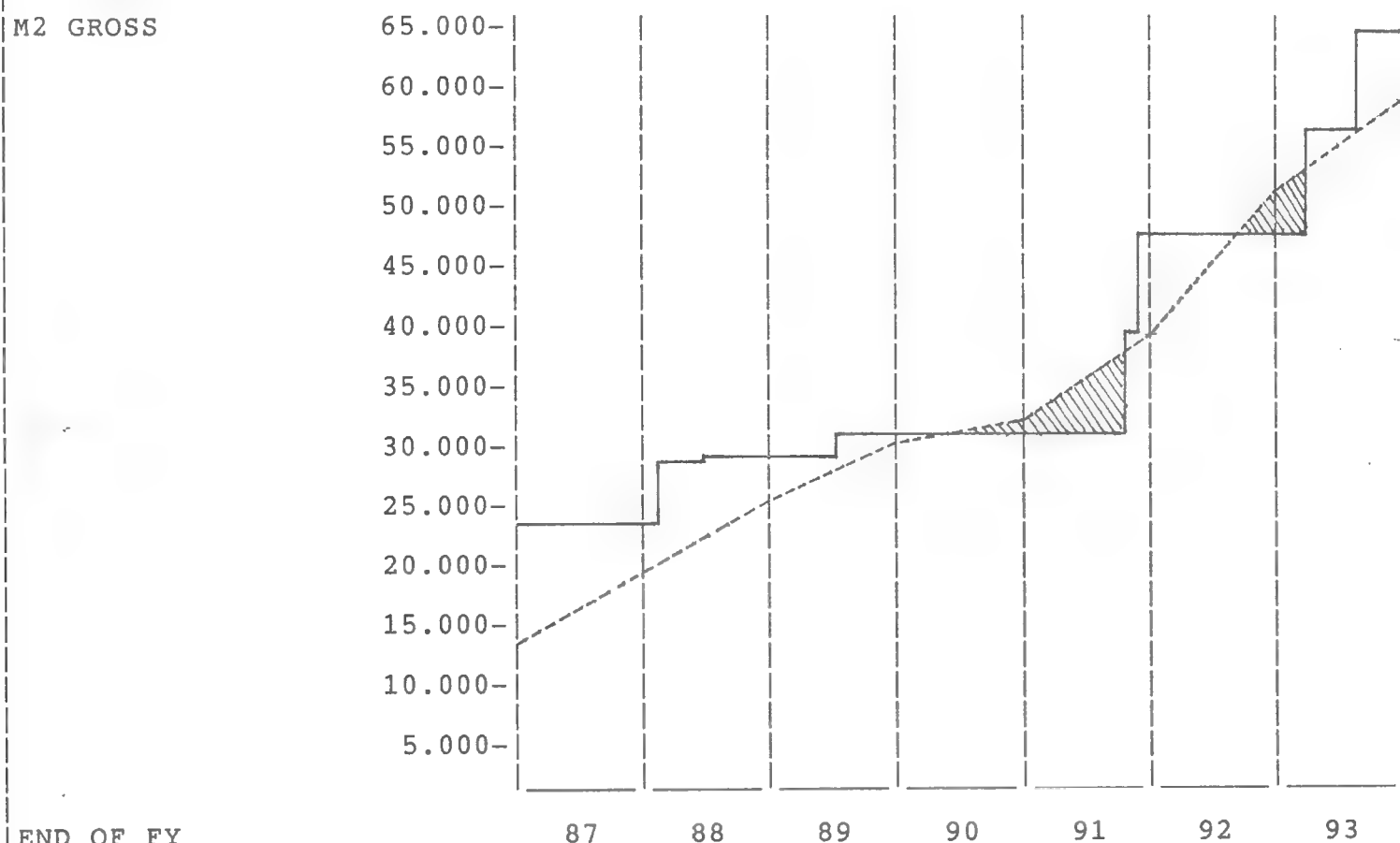
MAJOR LOCATION SPACE GRAPH/MPW/COSTS

REAL ESTATE ACTION PLAN

COUNTRY: HOLLAND

LOCATION: ALL MAJOR SITES

DATE: 27-07-1988



END OF FY

POPULATION YEAR END	881	1.149	1.361	1.448	1.707	2.197	2.381
SPACE PLANNED M2/PP (GROSS)	22,0	22,3	22,1	22,1	23,1	23,6	25,1
TOTAL SPACE NEED	19.382	25.623	30.078	32.001	39.432	51.849	59.763
SPACE TO BE PROVIDED	23.400	28.000	31.200	31.200	47.500	47.500	63.800
OCCUPANCY COST K \$	5.796	6.737	7.731	7.963	12.487	12.862	17.794
COST/MAN YEAR END \$	6.579	5.863	5.681	5.500	7.315	5.854	7.473
COST/M2 \$	247,7	240,6	247,8	255,2	262,9	270,8	278,9
RECO MPW PLANNED	2	4	4(5)	5	5	6	6
PLANNING RATE	1,90	1,90	1,90	1,90	1,90	1,90	1,90
INFLATION RATE	6%	3%	3%	3%	3%	3%	3%

SECTION 4
FINANCIAL ANALYSIS

Organization : Educational Services Holland

Subject : Expansion

Location : Nieuwegein

Exchange rate : 1 \$ = Dfl. 1,90

FINANCIAL ANALYSIS

DATE: 13 JULY 1988

PREPARED BY: REINDER VAN ALLER

BUDGETED NOR

FIRST ALTERNATIVE: NO INVESTMENT

ACTIVITY INCREASE

A) COURSE WEEKS THAT CANNOT BE DELIVERED

B) AVERAGE INCOME PER COURSE WEEK IN KF

A) & B) LESS NOR IN KF

BUDGETED NOR IN KF

NOR IN KF

LESS COST:

BUDGETED INVESTMENT IN NEW FACILITY

LESS VARIABLE EXPENSES

LESS COST AS A RESULT OF NO INVESTMENT

BUDGETED SCH F89

LESS NOR THAN BUDGET

LESS COST THAN BUDGET

SCH / ONE FACILITY AND MAX GROWTH (=12.5%, ONLY IN FY89)

SCH %

SCH / ONE FACILITY AND NO GROWTH

SCH %

	FY88	FY89	Q1	Q2	Q3	Q4	FY89	FY90	FY91	FY92	CASH FLOW 4 YEARS
	ACTUALS										
	19%	0%					12.5%	0%	0%	0%	
			0	-21	0	-25	-46				
			33	33	33	33	33				
			0-693	0	-825	-1518					
	17500	22000					22000	28000	36000	48000	
	18200	18200					20482	20482	20482	20482	
	-250						-250				
	-1450						-600				
	-1700						-850				
	8580						8580				
	-3800						-1518				
	1700						850				
							7912	7800	7500	7200	30412
							39%	38%	37%	35%	
	6480						6370	6188	6006		25044
	36%						35%	34%	33%		

SECOND ALTERNATIVE: INVESTMENT NEW BUILDING		FY88	FY89	Q1	Q2	Q3	Q4	FY89	FY90	FY91	FY92
-----ACTUALS											
ACTIVITY INCREASE		19%	0%					17%	20%	20%	20%
A) COURSE WEEKS THAT CANNOT BE DELIVERED				0	-21	0	0	-21			
B) AVERAGE INCOME PER COURSE WEEK IN KF				33	33	33	33	33			
				---	---	---	---	---			
A) + B) LESS NOR IN KF				0	-693	0	0	-693			
BUDGETED NOR IN KF		17500	22000				22000	22000	28000	36000	48000
NOR IN KF		18200	18200				20482	21307	25568	30682	36818
COST CHANGES:	--->		0%				12.5%	17%	20%	20%	20%
NOT BUDGETED INVESTMENT IN NEW FACILITY			1100				1100	1100			
BUDGETED INVESTMENT IN NEW FACILITY			-250				-250	-250			
EXTRA INVESTMENT OLD FACILITY			200				200	200			
EMPLOYEE TRAINING IN NEW FACILITY			-350				-350	-350			
LESS VARIABLE EXPENSES			-1450				-600	-300			
			----				----	----			
LESS/MORE COST AS A RESULT OF INVESTMENT			-750				100	400			
BUDGETED SCM F89			8580				8580	8580			
LESS NOR THAN BUDGET			-3800				-1518	-693			
LESS/MORE COST THAN BUDGET			750				-100	-400			
			----				----	----			
SCM IN CASE OF EXTRAPOLATED GROWTH							7487	9205	11352	13991	42035
SCM %							35%	36%	37%	38%	
NOR IN CASE OF 12.5% GROWTH							20482	23042	25923	29163	
SCM IN CASE OF 12.5% GROWTH							6962	8065	9332	10790	35149
SCM % IN CASE OF 12.5% GROWTH							34%	35%	36%	37%	
NOR IN CASE OF 0% GROWTH			18200					18200	18200	18200	
SCM IN CASE OF 0% GROWTH			5530					5278	5096	4914	20818
SCM % IN CASE OF 0% GROWTH			30%					29%	28%	27%	

FINANCIAL ANALYSIS (CONT'D)

FIRST ALTERNATIVE NO INVESTMENT:	1) SCM IN CASE OF 12.5% NOR GROWTH IN FY89 0% IN FY90-FY92	30412
	2) SCM IN CASE OF 0% GROWTH IN FY89-FY92	25044
SECOND ALTERNATIVE INVESTMENT IN Q2FY89:	3) SCM IN CASE OF EXTRAPOLATED NOR GROWTH (20%)	42035
	4) SCM IN CASE OF 12.5% NOR GROWTH PER YEAR	35149
	5) SCM IN CASE OF 0% NOR GROWTH PER YEAR	20818
SCM FY89	1)	7912
	2)	6480
	3)	7487
	4)	6962
	5)	5530

=====

CONCLUSIONS:

*** ON SHORT TERM (FY89) IN CASE OF 0% GROWTH (2,5) AND IN CASE OF 12.5%/17% GROWTH ALTERNATIVE 'NO INVESTMENT' IS THE BEST ALTERNATIVE.

***ON LONG TERM (FY89-FY92) IN CASE OF NO GROWTH ALTERNATIVE 'NO INVESTMENT' IS THE BEST ALTERNATIVE.
IN CASE OF 12.5% GROWTH PER YEAR ALTERNATIVE 'INVESTMENT' IS THE BEST.

***DIGITAL MARKETING FIGURES AND GENERAL MARKETING FIGURES SHOWS GROWTH FIGURES OF APPR. 20% OF MORE.
BASED ON THIS ASSUMPTION ALTERNATIVE 'INVESTMENT' WILL BE THE BEST.

EUROPEAN PROPERTY DEVELOPMENT: - CASH FLOW

MAJOR ASSUMPTIONS: INFLATION RATE - PEOPLE COSTS 3% TAX RATE 42%
 - VARIABLE OH COSTS 3%
 - FIXED OH COSTS 3%
 - RENT 3%

ALL NUMBERS IN LOCAL CURRENCY

DETAIL OF BASE:	YEAR 0	YEAR 1	YEAR 2	YEAR 3
FIT-UP - LHI	0	90	190	100
FIT-UP - TELECOM	0	0	0	0
ANNUAL TOTAL	0	90	190	100

REAL ESTATE PROPOSAL:	YEAR 0	YEAR 1	YEAR 2	YEAR 3
FIT-UP - LHI	460	85	100	100
FIT-UP - TELECOM	486	339	0	0
ANNUAL TOTAL	946	424	100	100

BASE PLAN

ALL NUMBERS IN LOCAL CURRENCY

1\$ = 1.90

	YEAR 0	YEAR 1	YEAR 2	YEAR 3
CAPITAL INVESTMENT:	0	90	190	100
PEOPLE COST	0	0	0	0
VARIABLE OH COSTS	0	0	0	0
FIXED OH COSTS	0	0	0	0
DEPRECIATION	0	30	175	175
RENT	0	700	1082	1485
RELO/DISRUPTION	0	190	285	380
TOTAL COSTS	0	920	1542	2040
TAX 42.0%	0	386	648	857
COSTS AFTER TAX EFFECT	0	534	894	1183
DEPRECIATION (NON CASH)	0	30	175	175
NET CASH FLOW LOCAL	0	504	719	1008
NET CASH FLOW IN K\$	0	265	379	531

REAL ESTATE PROPOSAL ALL NUMBERS IN LOCAL CURRENCY

1\$ = 1.90

	YEAR 0	YEAR 1	YEAR 2	YEAR 3
CAPITAL INVESTMENT:	946	424	100	100
PEOPLE COST	0	75	77	80
VARIABLE OH COSTS	0	475	489	504
FIXED OH COSTS	0	50	52	53
DEPRECIATION	0	456	557	557
RENT	0	702	723	745
RELO/DISRUPTION	0	0	0	0
TOTAL COSTS	0	1758	1898	1939
TAX 42.0%	0	738	797	814
COSTS AFTER TAX EFFECT	0	1020	1101	1125
DEPRECIATION (NON CASH)	0	456	557	557
NET CASH FLOW LOCAL	0	564	544	568
NET CASH FLOW IN K\$	0	297	286	299

SECTION 5
TECHNICAL BACK-UP

Organization : Educational Services Holland

Subject : Expansion

Location : Nieuwegein

Exchange rate : 1 \$ = Dfl. 1,90

REAL ESTATE PROPOSAL FOR: Expansion of Educational Services

41

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
 Ed v. Gameren/Reinder v. Aller | Harry Roelfsema

CAPITAL COST BREAKDOWN - LEASEHOLD IMPROVEMENTS

PLANNING RATE:
 1 \$ = Dfl. 1,90

SPACE SIZE (gross): 2.697 M2

COST BASIS: PROJECT CONCEPTUAL ESTIMATE

LHI STARTING DATE: ASAP

OCCUPATION DATE: 01-12-1988

PROJECT MANAGER: Pim Kuijper

DESCRIPTION	COSTS K Dfl	COST/M ² Dfl	COMPAR. COST/M ²	REMARKS
WALLS+DOORS OR SCREENS	10.0K	3,7		
Office space				
Other				
CEILINGS	---			
FLOOR FINISHES	---			
LIGHT FIXTURES	---			
ELECTRICAL INSTALLATION	200.0K	74,2		
A.C. (excl.comp.room)	---			
COMP.ROOM SPECIAL INST.	30.0K	11,1		
TOILETS & PLUMBING	5.0K	1,9		
KITCHEN INSTALLATION	---			
SECURITY INSTALLATION	30.0K	11,1		
SPRINKLERS	---			
PAINTING & DECORATION	50.0K	18,5		
CUPBOARDS & SHELVES	---			
SUBTOTAL	325.0K	120,5		
PERMITS & FEES }				
LEGAL FEES (lease) }				
R.E. AGENTS FEES	70.0K	26,0		
TAXES				
CONTINGENCY	35.0K	13,0		
A/E FEES	10.0K	3,7		
INTERIOR DESIGN FEES	10.0K	3,7		
RECO FEES				
SUBTOTAL	125.0K	46,4		
TOTAL IN LOCAL CURRENCY W/O INFLATION	450.0K	166,9		
TOTAL IN LOCAL CURRENCY WITH INFLATION	450.0K	166,9		
TOTAL IN US \$ WITH INFLATION	236,8K	87,8		

In existing E.S. build

For unforeseen problems
during building period

REAL ESTATE PROPOSAL FOR: Expansion of Educational Services

42

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
 Ed v. Gameren/Reinder v. Aller | Harry Roelfsema

CAPITAL COST BREAKDOWN - FURNITURE

PLANNING RATE:
 1 \$ = Dfl. 1,90

SPACE SIZE (B.N.) : 2.697 M2

COST BASIS: PROJECT CONCEPTUAL ESTIMATE

INST. STARTING DATE: ASAP

OCCUPATION DATE: 01-12-1988

PROJECT MANAGER: Pim Kuijper

DESCRIPTION	COST	COST/PP	ALTERN. COST/PP	REMARKS
OFFICE SPACE	64.0K	3.200.0		20 new workstations
RECEPTION/LOBBY	--			
CONFERENCE ROOMS	15.0K	N.A.		
CLASSROOMS	--			
RESTAURANT	--			
OTHER SPACE	10.0K	N.A.		
CONTINGENCY	6.0K			
TOTAL IN LOCAL CURRENCY WITHOUT INFLATION	95.0K			
TOTAL IN LOCAL CURRENCY WITH INFLATION	95.0K			
TOTAL IN US \$ WITH INFLATION	50.0K			

REAL ESTATE PROPOSAL FOR: Expansion Educational Services

43

PREPARED BY: Pim Kuijper | PROPOSED BY: Holland CMT | DATE: 27-07-1988
Lies Harrewijne |

CAPITAL COST BREAKDOWN - TELECOM

PLANNING RATE:
1 \$ = Dfl. 1,90

SPACE SIZE (B.N.) : 2.697 M2

COST BASIS: PROJECT CONCEPTUAL ESTIMATE

INST. STARTING DATE: ASAP

OCCUPATION DATE: 01-12-1988

PROJECT MANAGER: Pim Kuijper

DESCRIPTION	COST Kdfl	COST/PP Dfl	ALTERN. COST/PP	REMARKS
DATA CABLING	200.0K	1.142,9		
ETHERNET	25.0K	142,9		
DECONNECT	325.0K	1.857,1		
SER'S	75.0K	428,6		
PABX	100.0K	571,4		
CONTINGENCY	100.0K	571,4		
TOTAL IN LOCAL CURRENCY WITHOUT INFLATION	825.0K	4.714,3		
TOTAL IN LOCAL CURRENCY WITH INFLATION	825.0K	4.714,3		
TOTAL IN US \$ WITH INFLATION	434.0K	2.480,0		

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
Ed v. Gameren/Reinder v. Aller | Harry Roelfsema |

OCCUPANCY COST BREAKDOWN AND JUSTIFICATION | PLANNING RATE: 1\$ = Dfl.1,90

ANNUAL OCCUPANCY COSTS IN KDfl. (Both buildings)

INCL. INFLATION	ACCT. No.	ACTUAL FY'88	FY'89	FY'90	FY'91	FY'92	FY'93
RENTAL OR DEPRECIATION	7052	776	1.218	1.555	1.602	696	--
PARKING	7052	--	--	--	--	--	--
AMORTISATION OF LHI'S	7053	152	357	557	557	190	--
H.V.A.C., WATER, ETC.	7054	105	172	218	220	94	--
RATES & TAXES	7055	3	22	26	27	11	--
INSURANCE	7056	--	50	64	66	28	--
SECURITY	7057	84	144	192	197	81	--
VEHICLE EXPENSES	7058	--	n.a.				--
CLEANING & MAINTENANCE	7059	203	420	309	317	136	--
TOTAL OCCUPANCY COSTS IN LOCAL CURRENCY KDfl		1.323	2.383	2.921	2.986	1.236	--
TOTAL OCCUPANCY COSTS IN US K \$		696	1.254	1.537	1.571	651	--
BUILDING NET. M ²		2.210	4.862	4.862	4.862	4.862	--
Dfl. PER M ²		598,6	490,1	600,7	614,2	254,2	
US \$ PER M ²		315.1	257,9	316,2	323,3	133,8	

ONE TIME OCCUPANCY COSTS (not included in above)

ITEM	ACCT. No.	ADD. OFFICE	REMARKS
MOVING COSTS	7058	30 K	TOTAL BUILDING !
RENTAL OVERLAP	7052		
DEPRECIATION PREVIOUS LHI'S OTHER MISCELLANEOUS	7053	n.a.	
TOTAL IN LOCAL CURRENCY		30 K	
TOTAL IN US \$		15,8K	

JUSTIFICATION (excl. one time costs)

PER M ² NET. USABLE LOCAL CURRENCY	ACTUAL FY'87	REP FY'88	MARKET ALTERN.	REMARKS
RENTAL PER M ² P.A. OTHER COSTS PER M ² P.A.		260,4	265	Incl. partitions & parking
TOTAL OCC. COSTS/M ² P.A.		600,7	610	

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
Ed v. Gamareren/Reinder v. Aller | Harry Roelfsema |

RENT DETAILS

RENTAL COST/M² : Dfl. 260,40/\$ 137,0
TOTAL RENTAL : Dfl. 671.370,- for the building
Dfl. 31.000,- for the parking

TOTAL RENTABLE AREA : 2.697 M²
TOTAL NET USABLE AREA: 2.652 M²

RENT FIXED : No
RENT INDEXED : Yes, CBS index
RENT PERIOD : 3 years
EXPIRED : 30-11-1991

OPTIONS TO RENEW : Yes 2 x 1 year
CANCELLATION POSS. : To be negotiated

RIGHT TO SUB-RENT, OR ASSIGN RENT CONTRACT: To be negotiated, normally
the landlord will have no
objections if there is no
danger towards the
building.

CONDITIONS : To be negotiated, see above.

PREMIUM PAYABLE FOR THIS RENT CONTRACT: R.E. agent's fees, normally
10% of 1st year's rent.

RESTORATION TO ORIGINAL CONDITIONS: No, because the landlord stays
owner of the partitions.

MAINTENANCE, AND RE- : To be negotiated. Normally the daily
PLACEMENT COSTS maintenance is for the account of the lessee,
and the structural maintenance for the account
of the lessor.

HEATING/UTILITIES INCLUDED IN RENTAL: No

SERVICE CHARGE INCLUDED IN RENTAL: No, will be charged separately by
the landlord.

ANY REAL ESTATE TAXES PAID BY DEC: Standard R.E. taxes for tenants

BUILDING ACCESS HOURS: 07.00H-22.00H

VALUE OF IMPROVEMENTS TO BE
MADE BY LANDLORD FOR DEC: APPROX. 700 KDfl.

ANY SPECIAL CLAUSES: Yes, The landlord is willing to invest approx.
700 KDfl. (368 K\$) in partitions & carpets for
DEC. The rent will be raised accordingly.

PREPARED BY: Pim Kuijper | PROPOSED BY: E.S. Manager | DATE: 27-07-1988
Ed v. Gameren/Reinder v. Aller | Harry Roelfsema |

DESIGN STANDARD DEVIATIONS

PLANNED DEVIATIONS ARE THE SAME AS FOR THE EXISTING HQ BUILDINGS:

- GLASS PANELS IN DOORS MORE THAN 30 CM WIDE. BECAUSE OF
FIRE REGULATIONS
- DOOR, CEILING AND WALL FINISHES SAME AS HQ PH.II & III.
SAME REASONS
- SINGLE OFFICES MAY JUST EXCEED 5% OF TOTAL SPACE, SAME AS HQ PH.II &
III. BETTER ENVIRONMENT FOR CONCENTRATION.
- ENTRANCE LOBBY FLOOR FINISHES SAME AS HQ PH.I, II & III. GENERAL
DUTCH OFFICE BUILDING STANDARD.

PROJECT NR. :
PROJECT NAME : Additional office space for Educational Services
Nieuwegein, Holland.
REQUESTED BY : C. Billar LOC.: Utrecht DATE : 13-7-'88
TEL.: -2665
FUNCTION : I.S. C.C : Part A; HKK (Gouda) MGR.: C. Billar
Part B; HKG (Nieuwegein)

PROPOSAL DESCRIPTION : A new PABX is needed to fulfill the Voice telecom requirements in the additional E.S. building. In order to keep the capital expenditure to the minimum, we propose to move the TBX1000 PABX from the Gouda facilities to the new building. This PABX is planned(& budgetted) to be replaced by a MD110 PABX because of the need for additional technical options in Gouda, provided by the MD110. The present TBX1000 will provide adequate facilities for the E.S. building. The MD110 for Gouda was originally budgetted for Q3 FY89. Additionally, the PABX in use in the present Nieuwegein building must remain operational. To ensure this, contract extension negotiations must be carried out with the Dutch PTT, as the contract for this PABX expires per 17 juli 1989.

To provide for data communications connections and requirements for both the old and the new EDU buildings including the links to Utrecht, a new infrastructure should be provided. Telecommunications for terminal traffic will be created with the installation of DecServer terminal servers, DecConnect, Ethernet, and remote bridges. To cater for the expected growth throughout FY90, 175 DecConnect outlets will be installed. About 100 of these should be activated immediately, whereby access to both the Utrecht site as well as the old EDU computer facilities is possible. PTT resources required are 2 x 64 Kbps lines and 1 x M1025 line. Using this technology, two presently used M1025 lines will become redundant.

PROJECT CATEGORY: NEW BUILDING : Yes
EXPANSION : Yes
VOICE : Gouda : MD110 (1 LIM) Nieuwegein : TBX1000
DATA : DECconnect passive with limited active, Remote Bridge
LINE : Ethernet, 2 x 64Kbps, 1 x M1025

C.R. BILLAR
Telecoms & Resource Manager

C. Billar
14/7/88

ATTACHMENT 1

TELECOM PROJECT

=====

Brief description of request and justification.

Project Nr.:

Project Name: AOS, EDU Nieuwegein Holland
.....Requested by: ES, Telecomms. Group Loc.: Holland. Date: .13 July 1988
Tel.: 838-2677Function : Information Services Cost Center: HKG/HKK.
Mgr.: Charles BillarEstimated Manweeks to Complete Project:
.....Estimated Cost: Capital (K\$) 434.0 Expense (K\$) 2.3 per month
.....Budgeted Cost in Plan: Capital (K\$): Expense (K\$):
.....

Project Category: . Building expansion

New Building: . Educational Services

Expansion: . Yes

Voice: . TBX1000 move, MD110 installation

Data: . DECconnect local

Line: . 2 x 64 Kbps with bridges + 96 Kbps DECnet

Development: . -

Telephone: . -

Special Requirements . DECconnect + TBX1000 installation
e.g. PABX, loc. Area Netw.

Others . Paging infrastructuur

Service Required by: . PTT, Digital and external suppliers

Date:

Work to commence:

Est. Completion: . 15. september 1988 .

C.R. BILLAR
Telecoms & Resource Manager*C. Billar*
15/7/87

(ATTACHMENT 2)

TELECOM TECHNICAL APPROVAL (FORM)

PROJECT NO.	:	
AREA/LOCATION	:	Nieuwegein, Holland
TITLE	:	Additional Office Space for Educational Services Nieuwegein, Holland
COMMITMENT VALUE (\$)	:	K\$ 434.0 CAPT. K\$ 2.3 per month expense
BUDGETED	:	YES NO....
BRIEF JUSTIFICATION	:	Voice and data (local and wide area) facilities required for additional office space building for EDU.
STARTING DATE	:	ASAP (related to building)
IMPLEMENTATION DATE	:	ASAP (related to building)
COMPLETION DATE	:	15 september 1988 (PTT)
REQUESTED BY	:	IS Telecomms
		DATE: 14/7/88
PRESENTED BY	:	IS Telecomms
REVIEWED BY	:	Charles Billar
APPROVED BY	:	EUROPEAN TELECOM
APPROVED BY	:	Country Telecomms Manager

MB03/17/87